



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 24, 1999

### **H.R. 206**

#### **A bill to provide for greater access to child care services for federal employees**

*As ordered reported by the House Committee on Government Reform on May 19, 1999*

Under current law, agencies can provide space, utilities, furnishings, and equipment free of charge to providers of child care, but with the exception of the Department of Defense (DoD), they cannot pay any of the costs to operate the centers, such as salaries of the centers' employees. Providers recover these costs through fees. H.R. 206 would allow federal agencies to use appropriated funds to pay a portion of the providers' operating costs, provided that such payments reduce the fees charged to lower-income federal employees.

Based on data from the General Services Administration (GSA), CBO estimates that civilian employees currently pay around \$60 million a year in fees to providers who operate centers in federal facilities, with such fees growing to around \$90 million by fiscal year 2004 as a result of additional centers and higher fees. DoD subsidizes approximately one-half of the cost of the care provided in its facilities. Although considerable uncertainty exists as to how civilian agencies would use this authority, based on information provided by GSA and the Office of Personnel Management (OPM), CBO expects that other agencies would subsidize no more than 25 percent of their employees' fees. Thus, CBO estimates that H.R. 206 would increase annual costs by less than \$10 million in fiscal year 2000 and by less than \$25 million in each of fiscal years 2001 through 2004, subject to the availability of appropriated funds. The estimated cost for fiscal year 2000 is lower because the bill would allow OPM six months to develop and publish regulations.

Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 206 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not have any significant effects on the budgets of state, local, or tribal governments.

The CBO staff contact is John R. Righter. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.